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M&MD

MARKETING & MEDIA DECISIONS

JUNE 1990 • $4.00

DOING THE RIGHT THING

Spike Lee got a rude shock when his Nike ads became a racial issue. Inside, a guide to all the right moves when pitching minority markets.

Big-Ticket Sports

Who advertisers pay the most

Newspapers '90

Publishers seek salary increases

Brand Report:

Athletic Shoes

********** 5-DIGIT 20814
0711 00161861 41 93 000000
GREG CHRIS B155
CONGRESSIONAL INF SVC B001
4520 EAST-WEST HWY #800
BETHSEDA MD 20814 **

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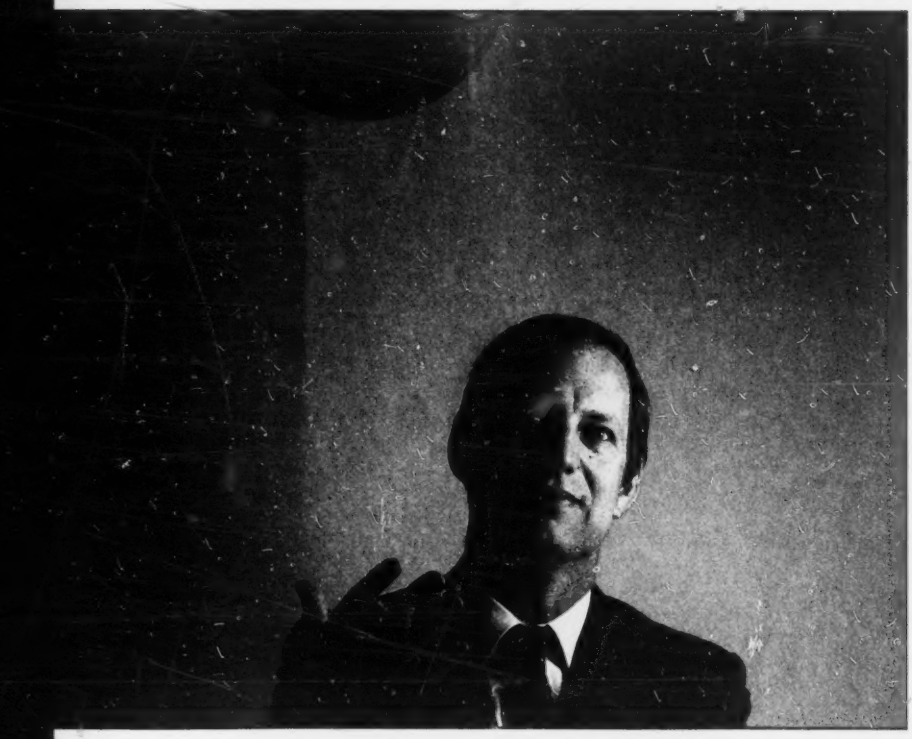

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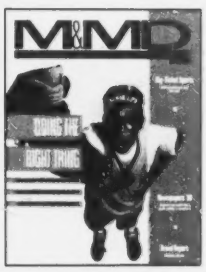


TV SPORTS: HERE'S THE SCORE

Big-ticket sports programing is going to have to beat the odds to get advertisers to foot the bill.

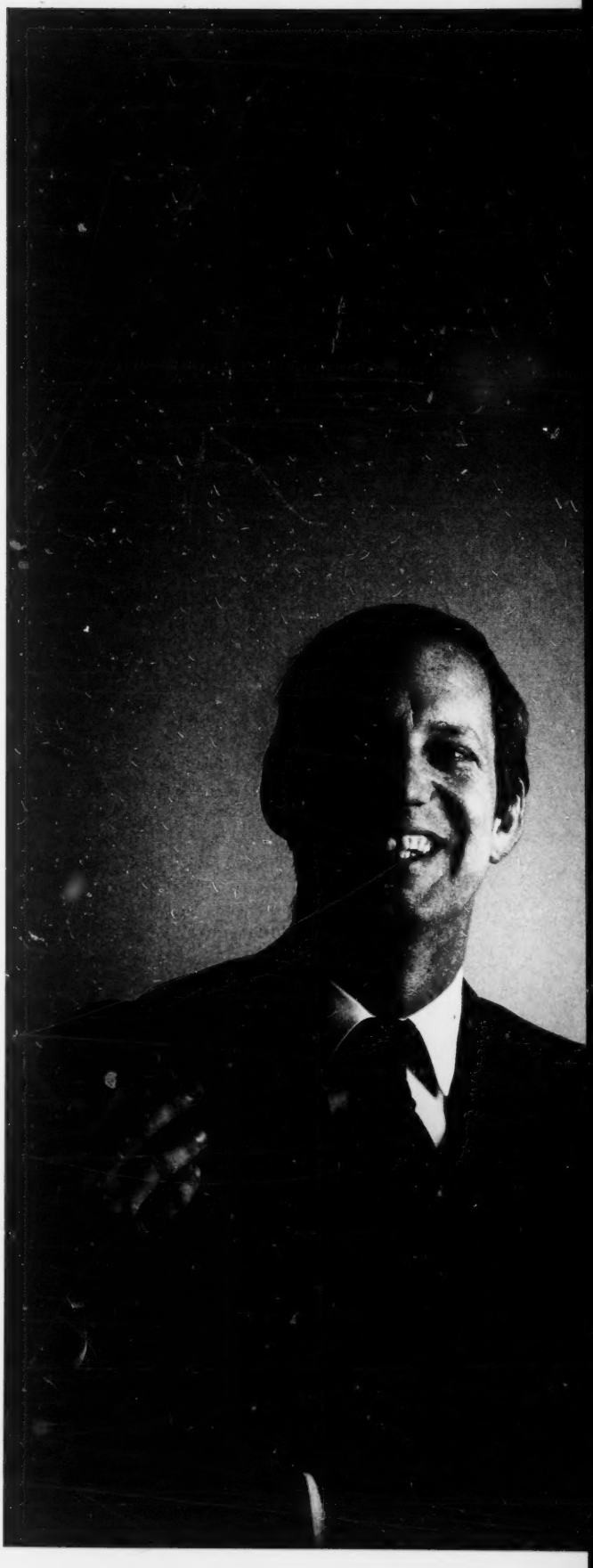
by Greg Clarkin

There's a story making the rounds that NBA commissioner David Stern has instructed the league's front-office personnel to drop to one knee and kiss the ring of any major television executive who happens by the league's office. No wonder, considering the staggering sums these execs paid this past winter for sports programing rights: $1.1 billion from CBS for Major League Baseball; $600 million from NBC for NBA basketball; and $950 million from ABC for football, plus $450 million each from ESPN and TNT for the NFL.

Between the rings and all that money, however, stand the advertisers, and in the contract years ahead, you're more likely to see the tv execs puckering up. They're the ones who must now convince some very cool advertisers that sports is still a hot enough buy to warrant footing the bill for television's extravagance.

With each passing deal, the advertising community has grown more and more alarmed by the fact that they're targeted by the networks and cable operations as the means to recoup those dollars. With the networks already asking for CPM hikes in the 15%-plus range, media departments are once again questioning just how high is too high for advertising rates on sports, and they're predicting a shakeout of advertisers who, fed up with higher rates, may seek exposure on other dayparts. "The rights fees have rejuggled the efficiency rankings of all the other dayparts," says Robert Ward, director of advertising services at the Miller Brewing Company.

In addition, efforts to woo more money from advertisers come at a time when viewer erosion, long a problem for prime-time programing, has rubbed sports ratings the wrong way. Numbers for the vast majority of sports are either slipping or barely holding steady, thanks in part to cable, which has diluted the sports audience with more viewing options. Basketball, the white-collar sport of choice, is holding steady, but football and baseball have seen their numbers slip.



Robert Ward of Miller is a sports fan, but he says rights fees have left the future up in the air.

On a smaller base, golf and tennis ratings have fallen dramatically, losing as much as 25% of their audience since the mid-1980s. Their upscale appeal still works in their favor with certain big-ticket items, yet categories such as financial services are hurting. These sports are considered especially vulnerable to ad cutbacks.

Steve Auerbach, senior vice president, director of network programing at Ally & Gargano, says while it definitely hasn't been a strong sports market, it's "more or less been business as usual, which is a surprise unto itself when you consider the rights fees." Auerbach believes cost hikes would be more dramatic if networks didn't fear a shift into prime time. As far as CPMs go, prime time isn't that far away from sports. "The networks are very aware of the fine line between prime time and sports," Auerbach says.

According to research from Bozell, the actual number of hours the broadcast networks devote to all sports remained relatively stable during the 1980s, but the overall hours of sports on television has increased substantially, bordering on a glut, thanks to cable. Also, Nielsen shows the broadcast mix has shifted to mainstream games (see chart). Meanwhile, ratings for almost all major sports slipping or holding even from 1984 to 1988. With some sports, the difference was slight, a 16.9 for *Monday Night Football* in 1984 versus a 16.7 in 1988. For others, the difference was more significant. a 10.3 for *Monday Night Baseball* on ABC in 1984 versus a 8.0 in 1988.

At the same time, household CPMs rose anywhere from $1 to $3 for the majority of sports, with some of the largest increases coming for *Monday Night Football* and Saturday afternoon college football. Bozell research also shows that viewer erosion would have been much greater had it not been for the increasing number of women tuning into sports during the last seven years. The NBA alone has been boosted by a 46% increase in women viewers since 1983.

Who's scoring with their packages varies by network. CBS apparently dropped the ball when it lost NBA basketball and grabbed baseball, a sport media buyers say traditionally has a tough time selling during the regular season. Ward at Miller says CBS is "substantially unsold" on its baseball coverage. The network's sales efforts also suffered from the baseball lockout this past spring.

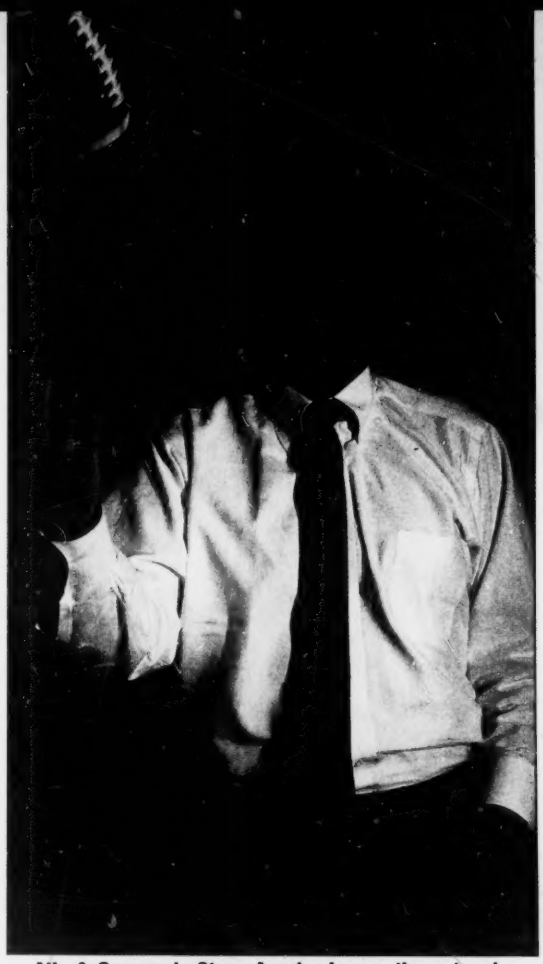
Steve Sternberg, vice president, manager of broadcast research at Bozell, says CBS is "using baseball as a loss leader," with an eye on making up money in the postseason. It's reported that CBS is asking in the $25,000 range for a 30-second spot during the regular season. "CBS bought baseball primarily for the playoffs and the World Series," Sternberg says. "They're using baseball primarily to promote their fall line-up and appease their affiliates."

CBS has had some success in signing baseball sponsors, with GM and Toyota among the first to sign on. Anheuser-Busch also signed on for a year-long deal.

The irony is, when NBC lost Major League Baseball to CBS last year after 43 years, there were stories lamenting a broken tradition. NBC is now being credited for its foresight in grabbing the NBA instead. Many point out that basketball is the hottest sport at the moment, meaning it's holding steady in the ratings.

Thanks to advertising packages with beer and automakers, NBC has come close to recouping its entire rights fees for the NBA. The Miller Brewing Co. inked a $130 million, four-year deal for the NBA, and the network signed on a number of automakers who will be featured on a rotating basis with quarter exclusivity.

In terms of sheer number of games and advertising inventory to sell, perhaps no one has as big a task as ESPN. The sports cable giant is faced with the task of selling



Andrew French

Ally & Gargano's Steve Auerbach says the networks are making sure sports rates don't get too close to prime time.

John Nienhuis

THE PRE-DEAL WARM-UP

Even before the big deals were signed, the Big Three broadcast networks were upping their mainstream sports offerings. And this doesn't include cable.

NUMBER OF SPORTS TELECASTS BY NETWORK

	1985-86 Season			1988-89 Season		
	ABC	NBC	CBS	ABC	NBC	CBS
College Football	12	4	16	26	0	16
College Basketball	0	26	40	11	19	45
NBA Basketball	0	0	20	0	0	42
NFL Football	17	24	25	20	34	33
Pro Baseball	14	19	0	20	38	0
	TOTAL = 217			TOTAL = 304		

Source: Nielsen Television Index

approximately 170 Major League Baseball games this season. Jack Bonanni, ESPN's senior vice president of advertising sales, says they've surpassed the 70%-sold rate for baseball after initial slow going thanks to the baseball lockout, which cancelled most of spring training. ESPN is boasting of more than 110 advertisers signed on for the games, including Anheuser-Busch, Ford and AT&T.

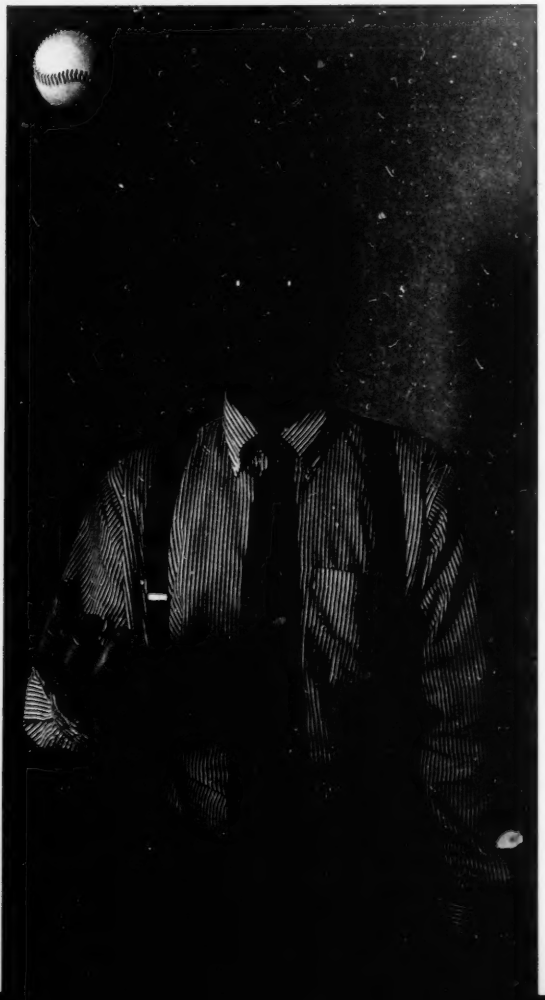
There have been some wrinkles in ESPN's game plan. It has had to lower prices somewhat while receiving a generally lukewarm reception from Detroit automakers and the airline industry — ESPN was initially asking $13,500 for their 30-second spots, a price that has reportedly gone as low as $10,000. As for the slow-moving auto category, Bonanni says they've made inroads with imports. Among those imports are Mitsubishi, Isuzu and Saab. ESPN has 40-plus units per game and is guaranteeing ratings of anywhere from a 2.5 to a 5, depending on the night of the week.

Football, too, has seen the rules of the game change. At press time, deals for the NFL were just getting underway and media departments were attempting to anticipate how TNT, which has football telecasts for the first time, would affect the equation. The NFL has cooperated with the networks by rearranging its schedule to add an additional week of football (and another wildcard game), giving the networks extra opportunities to bring in advertising revenues.

Current pacts with tv find NFL games next fall on all three broadcast networks, as well as on ESPN and TNT. ABC has its *Monday Night Football* season (17 regular season games): both NBC and CBS will offer approximately 30 NFL broadcasts each; and ESPN and TNT will broadcast a minimum of eight regular season games each. Rate hikes requested for the NFL fall anywhere from the 21% ABC is asking for its *Monday Night* games ($260,000 per :30) to an 11% increase ($125,000 per :30) requested by NBC. What they'll get, however, is another matter.

Chuck Fruit, vice president corporate media and sports marketing at Anheuser-Busch, says what advertisers are actually paying for NFL games isn't as alarming as the asking price. "We have seen what I'll term not-unreasonable increases," he says. "The networks realize a lot of categories are facing a tight year, and it's very difficult to justify any increase beyond 4% to 5% in CPM's." ■

Bozell's Steve Sternberg says baseball, a traditionally hard sell, is a loss leader for CBS.



Andrew French

CLOSER TO HOME

Regional sports networks — the home teams telecast to only the home sets — are touted by some as a solid vehicle to reach the hardcore sports fans in many major markets. "We think there's a definite role for the regional sports channels," says Chuck Fruit, vice president corporate media and sports marketing at Anheuser-Busch.

In some instances the regional networks "have become almost like a cable buy," Bill Miller, vice president and director of programing and network operations at Bozell, says. "I think they're definitely going to be more of a force in the future."

Paul Kagan Associates has charted the localized options' ad revenues from 1981 when they were $2 million to 1989 when they topped $74 million. Kagan predicts that figure will top $100 million this year and $317 million by 1995.

Presently, the two largest regional networks are the Dallas-based Prime Network and the Long Island-based Sports Channel America. Prime Network has programing affiliates in almost all of the country and says it reaches 18 million subscribers. Sports Channel America reaches some 9 million homes.

The attraction for a national advertiser is that a regional network, through its affiliate agreements with various teams, can produce a very specific audience. "We're able to give you spots throughout the NBA that are more efficient than a national NBA buy," claims Ed Frazier, president and CEO of the Prime Network.

One obstacle stunting the growth of such networks has been the complexities of just who has the rights to what. Frazier says to that end, Prime Network is "spending a lot of time, energy and resources as to how we work. But the buyer is going to have to do the homework to understand it."

NEWSPAPERS

THE NATIONAL NUMBERS

THE TOP 100 ADVERTISERS

Rank	1989 Investments (000)	1988 Investments (000)	Percent Change
1. News Corp. Ltd.	$247,450.1	272,056.5	−9.0
2. Valassis Inserts	226,653.3	203,170.2	11.6
3. Texas Air Corp.	72,208.6	82,197.2	−12.2
4. General Motors Corp.	55,653.5	83,250.6	−33.1
5. AMR Corp.	40,957.9	28,488.4	43.8
6. American Telephone & Telegraph Co.	39,715.0	30,329.8	30.9
7. Automobile Tires Local Dealers	37,436.5	35,229.3	6.3
8. Pan American World Airways Inc.	35,264.8	28,466.0	23.9
9. MCA Inc.	30,361.0	23,904.2	27.0
10. Warner Communications Inc.	30,149.6	32,734.0	−7.9
11. Philip Morris Companies Inc.	29,678.8	40,421.0	−26.6
12. Go Go Tours	29,353.2	22,835.3	28.5
13. Delta Air Lines Inc.	28,471.0	25,325.1	12.4
14. Trans World Airlines Inc.	28,179.6	27,640.0	2.0
15. Ford Motor Co.	26,725.7	24,468.3	9.2
16. Columbia Pictures Entertainment Inc.	26,403.7	24,930.2	5.9
17. NWA Inc.	25,408.1	10,445.9	143.2
18. Walt Disney Co.	24,627.9	23,967.3	2.8
19. Paramount Communications Inc.	24,066.4	26,773.6	−10.1
20. Daimler-Benz AG	21,414.5	21,027.1	1.8
21. General Electric Co.	20,925.5	26,541.7	−21.2
22. American Express Co.	19,316.5	29,943.3	−35.5
23. Elsinore Corp.	18,169.8	11,630.8	56.2
24. Goodyear Tire & Rubber Co.	16,663.2	—	—
25. USAIR Group Inc.	15,067.5	17,807.3	−15.4
26. CBS Inc.	15,054.4	13,236.7	13.7
27. Carnival Cruise Lines	14,508.2	15,992.2	−9.3
28. International Business Machines Corp.	14,302.0	17,157.6	−16.6
29. Sunflower Group	14,043.0	10,393.8	35.1
30. NYNEX Corp.	13,761.2	21,895.9	−37.2
31. Trump Organization	13,579.1	7,351.2	84.7
32. Holiday Corp.	13,407.5	14,753.2	−9.1
33. Capital Cities/ABC Inc.	13,143.2	13,839.7	−5.0
34. Chrysler Corp.	12,521.0	12,038.6	4.0
35. Orion Pictures Corp.	12,304.6	14,106.9	−12.8
36. Time Inc.	$12,243.4	12,319.2	−0.6
37. Bayerische Motoren Werke Aktiengesellsch	12,044.5	10,013.0	20.3
38. GTE Corp.	11,829.2	5,952.7	98.7
39. UAL Corp.	11,603.7	9,261.3	25.3
40. MGM/UA Communications Co.	11,500.9	17,567.5	−34.5
41. Apple Computer Inc.	11,302.3	3,785.5	198.6
42. Bridgestone Tires Local Dealers	11,295.4	9,866.3	14.5
43. Marriott Corp.	11,251.8	8,656.5	30.0
44. British Airways PLC	10,955.3	8,574.2	27.8
45. Hattori Corp.	10,839.0	6,701.7	61.7
46. Budget Rent A Car Corp.	10,804.7	8,696.7	24.2
47. Park Ridge Corp.	10,573.1	7,116.0	48.6
48. Dreyfus Corp.	10,525.2	4,136.7	154.4
49. United States Government	10,326.9	15,176.2	−32.0
50. Fidelity Management & Research Co.	10,325.8	4,474.9	130.7
51. British Aerospace PLC	10,002.9	5,454.7	83.4
52. General Host Corp.	9,588.8	9,589.8	0.0
53. Anheuser-Busch Cos. Inc.	9,536.4	8,379.3	13.8
54. Bally Manufacturing Corp.	9,536.0	8,436.7	13.0
55. U.S. West	9,448.9	4,921.6	92.0
56. United Artists Entertainment Co.	8,818.1	7,420.6	18.8
57. Southwest Airlines	8,549.2	9,354.4	−8.6
58. Chandris Cruises Inc.	8,447.9	6,183.7	36.6
59. Leather Center	8,301.6	5,824.3	42.5
60. Tribune Co.	8,024.8	9,503.4	−15.6
61. Honda Motor Co. Ltd.	7,883.3	3,395.1	132.2
62. Royal Caribbean Cruise Line Inc.	7,843.6	5,911.3	32.7
63. United Technologies Corp.	7,815.8	9,783.5	−20.1
64. Pleasant Hawaiian Holidays	7,790.6	8,356.5	−6.8
65. America West Airlines Inc.	7,786.8	4,546.5	71.3
66. Ahmanson HF & Co.	7,704.2	1,902.7	304.9

Rank	1989 Investments ($000)	1988 Investments ($000)	Percent Change
67. International Telephone & Telegraph	$7,669.1	7,159.8	7.1
68. Alamo Rent-A-Car Inc.	7,576.2	8,007.0	−5.4
69. Caesars World Inc.	7,519.6	8,834.3	−14.9
70. Texaco Inc.	7,357.4	4,460.9	64.9
71. Nutri/System Inc.	7,238.5	3,678.5	96.8
72. PepsiCo Inc.	7,229.4	5,965.9	21.2
73. Seaescape Ltd.	7,199.6	2,270.4	217.1
74. Advance Publications	7,141.3	6,659.1	7.2
75. Cineplex Odeon Corp.	7,081.2	6,067.7	16.7
76. Toro Co.	7,064.5	6,896.4	2.4
77. Peninsular — Oriental STM Navigation Co.	6,927.1	9,853.7	−29.7
78. Admiral Cruises Inc.	6,727.2	6,147.7	9.4
79. RB Industries Inc.	6,701.6	3,621.6	85.0
80. RJR Nabisco Inc.	6,679.1	11,199.1	−40.4
81. Hallmark Cards Inc.	6,598.8	7,986.3	−17.4
82. Volkswagenwerk AG	6,594.3	6,936.8	−4.9
83. Hilton Hotels Corp.	6,512.5	7,624.1	−14.6
84. Prodigy Services Co.	6,476.5	889.1	628.4
85. Toyota Motor Corp.	6,460.1	4,909.3	31.6
86. Mitsubishi Electric Corp.	$ 6,334.6	94.2	6624.6
87. Carlson Cos. Inc.	6,277.6	5,259.0	19.4
88. Ramada Inns Inc.	6,225.0	5,759.6	8.1
89. Ameritech	6,140.6	7,471.6	−17.8
90. Cellular One	6,104.2	6,825.8	−10.6
91. Sears Roebuck & Co.	6,086.8	2,867.3	112.3
92. AMC Theaters	6,065.0	6,011.1	0.9
93. Avis Inc.	6,011.8	8,211.2	−26.8
94. Oklahoma Publishing Co.	5,974.4	2,930.5	103.9
95. Showboat Atlantic City	5,905.6	3,796.2	55.6
96. Maytag Co.	5,852.9	6,420.8	−8.8
97. Club Mediteranee SA	5,839.2	3,748.3	55.8
98. National Railroad Passenger Corp.	5,780.2	2,878.7	100.8
99. Blue Shield of California	5,592.2	5,309.9	5.3
100. Egghead Software	5,557.8	5,833.7	−4.7
Top 100 Total	$1,833,947.9	1,728,197.0	6.1

Source: Leading National Advertisers/Media Records

THE CATEGORY NUMBERS

AD INVESTMENTS BY PRODUCT OR SERVICE

Classification	Newspaper Ad Expenditures 1989 $(000)	1988 $(000)	Percent Change
AIRPLANES, AVIATION ACCESSORIES, SERVICES & EQUIPMENT	**$ 2,679.0**	**2,554.3**	**4.9**
APPAREL, FOOTWEAR & ACCESSORIES	**11,316.6**	**11,842.1**	**−4.4**
Ready-to-wear	6,329.4	5,281.2	19.8
Underclothing, sleepwear & lounging apparel		1.4	
Footwear	4,865.3	5,884.3	−17.3
Accessories, notions & misc. apparel		351.2	
Hosiery	82.6	172.4	−52.1
Apparel fabrics & finishes	8.2	122.4	−93.3
Luggage & accessories incl. briefcases	31.1	29.2	6.5
AUTOMOTIVE, AUTO ACCESSORIES & EQUIPMENT	**881,758.1**	**818,956.5**	**7.7**
Passenger cars & vehicles	766,187.9	705,850.5	8.5
Trucks, vehicles & leasing	25,067.4	24,330.8	3.0
Motor homes, campers, rentals	$ 1,599.9	1,789.9	−10.6
Tires & tubes	$82,085.9	79,809.9	2.9
Automotive accessories, equip. & misc.	6,817.0	7,175.4	−5.0
BEER, WINE & LIQUOR	**31,992.0**	**30,083.9**	**6.3**
Beer	18,937.7	18,595.7	1.8
Wine	3,736.0	3,188.0	17.2
Liquor	8,992.2	7,982.1	12.7
Non-alcoholic prepared mixes & mixing ingredients	326.1	318.1	2.5
BUILDING MATERIALS, EQUIPMENT & FIXTURES	**56,523.7**	**57,855.4**	**−0.9**
Building materials & pre-fabricated homes	21,711.0	21,317.1	1.8
Building equipment, fixtures & systems	31,456.5	31,684.5	−0.7
Fences	275.7	443.7	−37.9
Protective coatings & finishes	3,080.5	3,610.1	−14.7

Classification	Newspaper Ad Expenditures 1989 $(000)	1988 $(000)	Percent Change
BUSINESS & CONSUMER SERVICES	**$1,485,519.2**	**1,339,998.1**	**5.8**
Engineering & professional services	536,624.3	531,502.9	1.0
Credit cards & travelers checks	8,079.7	14,306.3	−43.5
Schools & camps	99,787.0	86,873.7	14.9
Communications & public utilities	139,613.5	131,872.5	5.9
Financial	534,471.6	492,550.0	8.5
Government advertising	35,717.2	38,674.1	−7.6
Misc. corporate advg. (not classified)	8,955.8	4,223.3	112.1
Organization advg. (not classified)	41,525.9	30,177.3	37.6
Military equipment	744.2	800.0	−7.0
BUSINESS PROPOSITIONS & EMPLOYMENT RECRUITMENT	**2,424.8**	**2,568.0**	**−5.6**
Business propositions	2,143.1	2,265.8	−5.4
Employment recruitment	281.7	302.2	−6.8
CIGARETTES, TOBACCO & ACCESSORIES	**31,614.0**	**55,496.2**	**−43.0**
Cigarettes & tobacco	31,565.3	55,452.5	−43.1
Smoking access. & misc. smoking materials	48.7	43.7	11.4
COMPUTERS, OFFICE EQUIPMENT & STATIONERY	**92,018**	**59,978.8**	**53.4**
Computers & data processing equipment	71,108.1	38,445.8	85.0
Office machines & equipment	10,489.2	11,329.0	−7.4
Stationery & office supplies	6,925.4	8,416.1	−17.7
Computer software	3,493.3	1,787.9	95.4
CONFECTIONERY, SNACKS & SOFT DRINKS	**14,962.4**	**15,903.5**	**−5.9**
Confectionery & snacks	1,091.5	1,785.1	−38.9
Soft drinks & bottled waters	13,870.9	14,118.4	−1.8
DIRECT RESPONSE — ITEMIZED	**109,437.2**	**110,663.7**	**−1.1**
DIRECT RESPONSE — NOT ITEMIZED	**185.1**	**n.a.**	**n.a.**
DRUGS & REMEDIES	**108,619.6**	**92,134.2**	**17.9**
Medical equipment, appliances & supplies	420.0	708.8	−40.7
Physical culture	94,701.3	85,230.3	11.1
Medicines & proprietary remedies	13,498.3	6,195.1	117.9
ELECTRONIC ENTERTAINMENT EQUIPMENT & SUPPLIES	**10,991.1**	**9,023.1**	**21.8**
Electronic entertainment equipment	9,173.9	6,588.7	39.2
Electronic entertainment supplies	31.3	71.4	−56.2
Pre-recorded records & tapes	1,476.1	2,126.2	−30.6
Musical instruments	309.8	236.8	30.8
ENTERTAINMENT & AMUSEMENTS	**517,455.0**	**492,713.8**	**5.0**
Motion pictures	270,206.0	264,474.9	2.2
Amusements, events & misc. entertainment	204,841.2	187,858.9	9.0
Restaurants, hotel dining & night clubs	42,407.8	40,380.0	5.0
FOODS & FOOD PRODUCTS	**48,850.0**	**48,663.8**	**0.3**
Cooking products & seasonings	4,827.5	2,891.3	67.0
Prepared & convenience foods	14,061.6	12,515.8	12.4
Dairy products & substitutes	4,016.5	4,664.9	−13.9
Fruits, vegetables, grains & beans	3,687.3	3,592.6	2.6
Meats, poultry & fish	12,051.6	13,934.6	−13.5
Bakery goods (fresh, frozen, refrig.)	2,320.5	2,674.6	−13.2
Food beverages	6,051.3	5,162.0	17.2
Combination copy food & food prod. & general promotion	1,833.7	3,228.0	−43.2
FREIGHT, INDUSTRIAL & AGRICULTURAL DEVELOPMENT	**12,038.5**	**11,287.7**	**6.6**
Freight	7,638.1	6,305.3	21.1
Industrial & agricultural dev. (area)	4,400.4	4,962.4	−11.3
GASOLINE LUBRICANTS & FUELS	**25,821.6**	**21,280.7**	**21.4**
Gas, oil (transportation) & dealer services	23,327.7	18,386.7	26.9
Lubricants & fuels	48.6	n.a.	n.a.
Petroleum companies, general promotion	2,493.9	2,825.4	−11.7

Classification	Newspaper Ad Expenditures 1989 $(000)	1988 $(000)	Percent Change
HORTICULTURE & FARMING	**$ 43,833.8**	**43,002.2**	**2.0**
Garden machinery, implements & fixtures	21,725.8	22,400.6	−3.0
Seeds, bulbs & nursery stock	11,198.8	12,240.5	−8.5
Fertilizers & seed treatments	1,097.0	2,150.2	−49.0
Garden pest controls	1,510.8	853.2	77.1
Horticultural services & misc	14,251.9	11,247.7	26.7
Farming & livestock	99.5	n.a.	n.a.
HOUSEHOLD EQUIPMENT & SUPPLIES	**22,902.7**	**23,178.9**	**−8.1**
Major appliances	19,091.9	18,993.5	0.5
Small appliances & equipment	1,056.0	2,050.2	−48.5
Household access. & misc. supplies	1,672.7	1,176.7	42.2
Insecticides, disinfectants, deodorizers	1,082.1	950.5	13.8
HOUSEHOLD FURNISHINGS, SUPPLIES & MATERIALS	**42,612.5**	**36,964.6**	**15.3**
Dinnerware, glassware & flatware	404.3	241.2	67.6
Furniture & matresses	31,814.3	25,314.1	25.7
Floor coverings & fibers	4,882.0	6,635.0	−26.4
Household fabrics & finishes	3,905.7	3,385.9	15.4
Miscellaneous furnishings & access.	1,606.2	1,388.4	15.7
INDUSTRIAL MATERIALS	**7,718**	**9,012**	**−14.4**
Manufacturers materials & supplies	1,164.7	1,503.7	−22.5
Ind. machines, instruments, electrical components, fixtures & access.	6,551.3	7,508.3	−12.7
INSURANCE & REAL ESTATE	**334,845.4**	**308,434.6**	**8.6**
Life & medical insurance	30,522.7	28,997.3	5.3
Fire, casualty & other insurance	24,732.7	18,461.5	34.0
Real estate, brokers & developers	278,790.0	258,975.8	7.7
JEWELRY, OPTICAL GOODS & CAMERAS	**12,788.7**	**12,131.4**	**5.3**
Jewelry & watches	6,427.3	5,628.9	14.2
Optical goods, precision instruments	1,099.4	2,224.8	−50.6
Cameras & photographic supplies	5,254.0	4,277.7	22.8
MISCELLANEOUS, NOT ELSEWHERE CLASSIFIED	**12,242.3**	**10,696.3**	**14.5**
MISCELLANEOUS NOT ITEMIZED	**38,494.4**	**42,728.6**	**−9.9**
PETS, PET FOODS, SUPPLIES & ORGANIZATIONS	**4,387.1**	**3,869.8**	**13.6**
Pet foods	2,107.9	1,814.0	16.2
Pets & pet supplies	1,818.7	1,567.4	16.8
Pet organizations & shelters	380.5	438.5	−13.2
PUBLISHING & MEDIA	**248,347.5**	**220,628.2**	**12.6**
Books & music	39,999.1	40,017.1	0.0
Magazines, newspapers, newsletters & misc. media	6,247.4	4,548.2	37.4
Radio stations	22,075.3	22,099.5	−0.1
Television & cable television stations	180,025.7	153,355.4	17.4
RETAIL	**3,638,068.3**	**3,526,227.3**	**3.1**
Retail stores	2,217,448.6	2,136,664.7	3.8
Department stores	1,420,619.7	1,389,562.6	2.2
SOAPS, CLEANSERS & POLISHERS	**2,730.9**	**2,607.7**	**4.7**
Soaps & detergents	2,468.6	2,560.1	−3.6
Cleaners, cleansers & polishes	262.3	47.6	451.1
SPORTING GOODS, TOYS & GAMES	**6,958.8**	**7,823.4**	**−11.0**
Sporting goods	5,313.4	6,316.1	−15.9
Games, toys & hobbycraft	1,645.2	1,507.3	9.1
TOILETRIES & COSMETICS	**9,650.3**	**7,134.5**	**35.2**
Cosmetics & beauty aids	991.4	1,171.4	−15.4
Personal hygiene & health	2,352.5	3,844.1	−38.8
Bath toiletries & misc. toilet goods	39.1	23.5	66.4
Hair products	6,123.8	2,095.5	192.2
Personal care appliances	143.5	n.a.	n.a.
TRAVEL, HOTELS & RESORTS	**982,394.0**	**884,788.2**	**11.0**
Passenger travel	487,736.8	446,602.3	9.2
Travel services & tours	196,659.2	173,865.5	13.1
Resorts & travel accommodations	297,998.0	264,240.4	12.8
TOTAL	**$ 8,777,338.4**	**8,313,568.8**	**5.6**

Source: Leading National Advertisers/Media Records

SHOEBOOM!

It used to be that all a pair of sneakers had to do was help you run faster and jump higher. Now they've got to make you fly . . . or at least make you look good while you try.

Sneakers have come a long way from canvas tops and gum rubber soles. Aspiring athletes are now tantalized by technological features like inflated air, encapsulated gas and energy return systems. Advertising and marketing strategies have gotten more sophisticated, too, as budgets swell and top athletes (a long list, including Bo Jackson for Nike, Joe Montana for L.A. Gear and Pat Riley for Reebok) lend their names.

Not only are the athletic-shoe companies in a foot race to sign up athletic stars, but entertainers are getting into the act. Michael Jackson and Paula Abdul are reinforcing a fashion image for L.A. Gear and Reebok, respectively. And at press time, Reebok was reported to be negotiating with Madonna to replace Abdul.

The athletic-shoe market offers a shoe for almost every occasion. New Balance and Asics have carved out niches with activity-specific shoes such as running, aerobics and cross-training. Even a licensed brand such as Voit has its niche in the mass merchandiser arena selling polyurethane "athleisure" shoes for around $20.

Add it all up, and you get a $5.5 billion market last year (wholesale shipments of branded footwear), a 19.6% jump from $4.6 billion in 1988. That's a lot of bucks to fight over, and the main event is between Nike, with 26% market share, and Reebok, with 23%, based on 1989 estimates. They're followed by L.A. Gear with 13%, Converse with 5% and Avia with 4.2%.

In 1986 and 1987, Reebok had a big lead, with 30% and 31% shares versus Nike's 21% in '86 and 18% in '87. But Nike held a steady course of performance positioning, while Reebok tripped itself up with mixed messages of function and fashion.

While Nike and Reebok are now running neck-and-neck, L.A. Gear has been gaining ground through its strength in the men's performance market, which contributes about 35% to the company's volume. Originally a women's fashion line, L.A. Gear's sales jumped from $30 million in '86 to $70 million in '87, when men's shoes were

by Brian Baget

BRAND REPORT NO. 171
ATHLETIC FOOTWEAR EXPENDITURES (000)
JANUARY–DECEMBER 1989

	Media Total	BAR Network Television	BAR Spot Television	BAR Cable Television	BAR Syndicated Television	RER Spot Radio	LNA Magazines	MR Newspapers	LNA Outdoor
Nike	$33,331.2	$12,437.0	$1,023.3	$2,289.6	$3,428.0	$465,670	$13,191.7	$224.8	$262.1
Reebok	33,024.7	16,369.7	6,723.3	1,938.0	2,327.3	—	5,662.7	—	3.7
LA/ Gear	15,371.3	2,162.5	8,219.7	1,178.7	1,290.0	253,718	2,126.5	—	140.2
Converse	4,306.6	426.7	109.5	384.6	443.8	650,752	1,944.4	31.9	314.9
Avia	7,929.4	—	2,822.7	492.3	—	—	4,094.0	—	519.5

Sources: Arbitron's Broadcast Advertisers Report (BAR); Radio Expenditure Reports (RER); Leading National Advertisers (LNA); Media Records (MR).

introduced. Sales in '88 soared to $223 million and last year cracked $600 million. Projections for this year have the company hitting the $1 billion mark.

In 1989, the top three brands accounted for 87% of the top five's $93.7 million total ad spending in the nine measured media tracked by Leading National Advertisers. Spending in 1990 will be less skewed to the top three, however, as Converse plans to spend $40 million on advertising and promotion.

The general target audience is 18-34-year-old males and females, and marketers reach them with a mix of sports and lifestyle tv programing and magazine titles. Sport-specific shoes are advertised on related media, as when Nike buys PGA Tour golf tv time and *Golf Digest* ad space for its line of golf shoes. Late-night tv is used to tackle the younger male portion of the target.

The female target is more diffuse and therefore harder to hit. Marketers rely heavily on print, using a mix of women's magazines ranging from *American Health* to *Vogue*. Some tv is used, including daytime and sports events like women's tennis.

Deciding whether to use a fashion or performance strategy, or both, is where the marketing path gets treacherous.

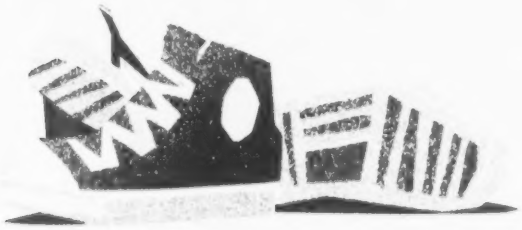


Illustration by Mary Braun

Deciding whether to use a fashion or performance strategy, or both, is where the marketing path gets a little treacherous. While Nike, Converse and Avia have built strong followings in the performance shoe business, Reebok and L.A. Gear have a fashion image. The latter two realize that in order to grow, they have to make an effort in men's performance shoes. So they have signed up some big-name athletes and developed performance-enhancing technologies, such as air-inflatable shoes.

The move has been somewhat of a Catch 22 for Reebok. Some consider its marketing a schizophrenic mix of fashion and athletic statements. Reebok counters that it needs to cover both areas since it's making shoes for everybody. Most recently, Reebok caused offense with its bungee jumping ad in which a Nike wearer apparently leaps to his death. After Chiat/Day/Mojo's re-editing failed to quell the criticism, the ad was pulled. Before that it was the surrealistic and ill-fated U.B.U. campaign that bounced right over the heads of most consumers.

"From an advertising point of view, Nike has clearly been superior and has a really well-thought out strategy," says Heidi Steinberg, an analyst at Salomon Brothers. "It seems that Reebok is struggling a bit and has to develop a consistent image."

Gary Patrick, senior vice president at Vitt Media, the buying and planning agency for L.A. Gear, says: "Reebok has been off track the last couple of years. They can't get their advertising message or image together. The media buys are scattered and not well focused."

Reebok's Steve Race, general manager of athletic footwear, defends the company's tack and the bungee ad. "We need to get through the advertising clutter in a very dramatic and impactful way and demonstrate the unique selling proposition of the product — that we give customized fit and support." The target for the performance shoe is a "real hard-core player, generally 18 or older." Reebok's air-inflatable Pump is its latest effort to concentrate on performance.

But 80% of the athletic shoes purchased are not used for the activity they're designed for, so the shoes' look apparently counts. And Race thinks one shoe can have both fashion and performance. "Fashion is a very important function of our performance shoes. And in fashion shoes, performance in terms of comfort is a very important element."

The industry has been under fire for creating very expensive shoes that, partly through the use of popular black role models in the ads, have become status symbols to black inner-city youths. Reports that kids have been killed for shoes, jackets and jewelry, or that kids choose drug dealing as a way to make money, have the media pointing the finger at marketers and spokesmen.

The two leaders in the athletic-shoe market vehemently deny that they are targeting inner-city youth. "We buy sports media almost exclusively," says Nike spokesperson Liz Dolan. "We make high-performance basketball shoes for high-performance basketball players. We use those players in our ads, which we primarily run on basketball programing. To me, that seems pretty logical." While Nike has a high image in the black community, it does not buy any minority media, she says.

"To suggest somehow that it's wrong to use black athletes because black kids are this unruly mob that won't be able to stop itself from stealing shoes is a racist position," she says. "To say that it's wrong for Michael Jordan to do this, but it's not wrong for Joe Montana is ludicrous."

In a move that may ease some tensions, Nike will be spending about $5 million of this year's media budget on ads featuring its stable of stars telling kids to stay in school.

Reebok's Race adds, "We are not more expensive than a Nintendo game and a couple of cartridges. The research to date suggests that people buying the product are in the target group it's designed for — the aspirational and performance athlete."

At 28% share of market, basketball shoes are the biggest segment of the athletic-shoe business, according to the Sporting Goods Manufacturers Association. The top-of-the-line air-inflatables currently have about 5% of the basketball shoe market.

Following is a closer look at how the leading brands are taking the ball and running through the athletic-shoe market.

Nike

Market leader Nike is sticking to the positioning it knows best — performance. "We think what differentiates Nike from Reebok is performance positioning and the technology of our products compared with theirs," says Bill Zeitz, sport advertising manager for Nike. The company offers a shoe for just about any athletic endeavor, including javelin throwing.

Nike's "Just Do It" campaign has been created to appeal to the athletic, ranging from someone looking to take another minute off her marathon time to a recreational jogger looking to stay fit. The ads are inspirational and tell the stories of the famous and not so famous as they just go out and do it. (Meet 80-year-old Walt Stack, who

Mars, a.k.a. Spike Lee, wonders if it's the Nike shoes that help Michael Jordan fly. You have to buy them to find out.

runs 17 miles every morning.) The "Bo Knows" tv flights illustrate the company's range of athletic shoes (for more than 20 different sports categories) as Bo Jackson jams a basketball, slams a baseball and pumps the iron, among other activities. Most of the advertising from Wieden & Kennedy, Portland, Ore., centers around sports programing and sports publications, although there are some general-interest titles used.

Nike was the top spender in 1989, with $33.3 million in the nine media measured by LNA. Most of the spending went to tv last year, with $19.1 million in that medium, according to Broadcast Advertisers Reports. Of that, $12.4 million went into network programing that included professional and college basketball, football, tennis, and prime time shows such as *Dear John*, *Who's the Boss* and *L.A. Law*.

"We use prime time to reach a broad base of adults and late night for a younger audience," says Zeitz. "Television acts as a brand umbrella at key strategic times of the year, such as back-to-school."

Cable spending totaled $2.2 million and supported almost every type of sporting event, including high-school basketball on ESPN. Syndicated tv got $3.4 million of the budget on shows that included *D.C. Follies*, *Arsenio Hall* and *Life's Most Embarrassing Moments*, according to Vitt Media International.

Below the tv campaign lies an enormous print effort that hit $13.2 million last year, according to LNA, and ran in a wide range of special-interest books, including *Glamour*, *Self*, *Tennis*, *Money*, *Bicycling* and *Weight Watchers*. Currently an ad for running shoes is running in *Sports Illustrated* and *People*, in addition to *Runner's World*, where the emotional satisfaction of the activity is highlighted in a series of spreads.

No advertising was done for Nike's Air Pressure, an air-inflatable basketball shoe, during the year, according to Zeitz, because "there's such a special nature to it, and we don't see it for really broad use." There are plans for another shoe using the same technology but at a price below Air Pressure's $175 price tag.

Reebok

After running in place for several years, Reebok is trying to get its advertising message on track with the help of new agency, Hill, Holiday, Connors, Cosmopulos, Boston. Chiat/Day/Mojo had the account for three years and will continue to handle Reebok's international advertising from London. The new brand campaign is currently in the works, and Reebok's general manager Steve Race says the first ads to break from Hill, Holiday will be in late June or early July.

Reebok recently reorganized its Reebok brand business in the U.S. into two units — performance and lifestyle. The charter for the lifestyle division is to come up with fashion statement shoes for females and teens. This allows the performance unit to concentrate on just that. Jocks including Atlanta's Dominique Wilkins, Lakers' coach Pat Riley, tennis champs Michael Chang and Arantxa Sanchez, and the PGA pro tour's Greg Norman have teamed up with Reebok.

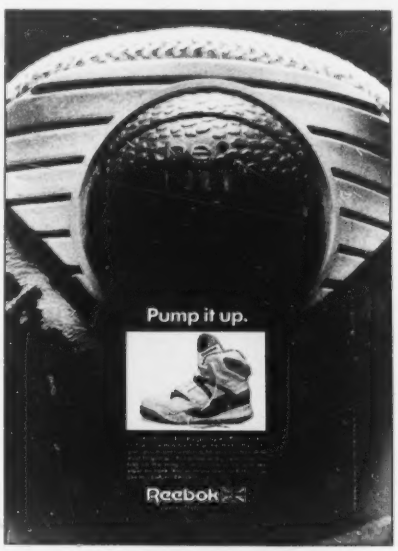
Another big step was budgeting $70 million for a promotion and "advertising explosion that's going to rock the footwear market all across the country." It began in February on the NBA All Star Game, followed by 90 days of commercials on network shows (*Roseanne*, *Growing Pains* and *20/20*), other sporting events, and cable networks such as Nickelodeon, MTV, BET and ESPN. Part of the tv strategy is to go beyond sports-specific programing, according to Race. Last year's total media investments tracked by LNA were $33 million.

With the pulling of the "Bungee" commercial, no tv spots are running. Shooting for its new campaign from Hill, Holiday is currently underway.

Two eight-page inserts, one for men and one for women, titled "Welcome to the '90s," ran in a variety of sport-oriented magazines, providing a high performance umbrella for the brand. The insert highlights the company's best shoes, focusing on performance enhancing features such as the Pump, Energy Return System, Hexalite and Energaire.

While tv ads for the Pump help develop an umbrella image of performance for the company, print gives Reebok the opportunity to target its 18-34-year-old athletic-oriented male and female. "In *Tennis* magazine, we can go to a hardcore tennis player," says Race. "With the electronics, we can get a brand image and a minimal message across. In print, we can do a lot more with the product, talk about features, benefits, technologies and differentiation between our product and competitive products."

To reach runners, Reebok will be buying space in *Track & Field News*, *Runner's*



Placing more emphasis on performance, Reebok is taking a big step with its Pump basketball shoe.

World, *Running USA* and *Women's Sports & Fitness*. Tennis enthusiasts will be targeted through *World Tennis*, *Esquire*, *Tennis*, U.S. Open Program Guide and *Sports Illustrated*.

Although tv will represent more than half of its ad budget, it's getting expensive and Reebok is exploring a variety of media that includes cinema advertising. "This is one that we've looked at and looked at very hard," states Race. "At this juncture there are some impediments, as people still boo the advertisers."

He also points out that the advertisers can't pick movies. "You buy screens and [get] whatever they're running for that time period. In that format it's not for us. We want to be able to target the audience a little more finely," he says.

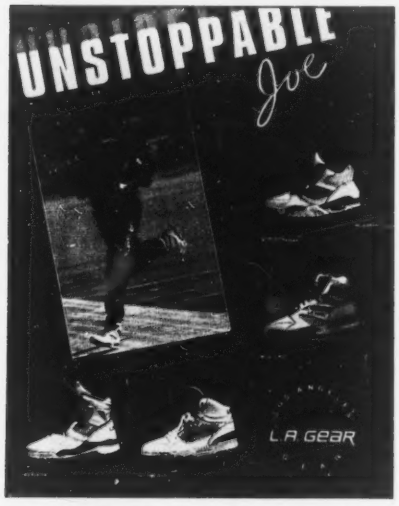
L.A. Gear

L.A. Gear is sprinting its way through the athletic-shoe market. Four years ago the company wasn't even on the map, and it now holds a 13% share.

L.A. Gear broke into the market with women's fashion athletic footwear and has grown by chipping away at Reebok's share. But the company realizes that to maintain growth, it has to jump into the men's performance arena with both feet.

"At this juncture we are planning our attack," says Gary Patrick, senior vice president at Vitt Media International, L.A. Gear's media-buying agency. "If we go into the sports area, we're going to be outspent by Nike. So it's a matter of doing it [media buying] a little more creatively."

L.A. Gear spent $21.5 million on athletic-shoe advertising last year, with $13.2 million going to spot tv and $4.6 million on network tv. Spots air on some sports programing, but most of the effort is in younger skewing programing during late night and prime time, including *Letterman*, *Saturday Night Live* and *The Simpsons*.



The Unstoppable L.A. Gear is pushing forward in men's performance shoes.

Patrick tries to stretch the client's dollar as far as he can and has gotten skits to revolve around the L.A. Gear commercial spot on shows such as *Letterman* and *Saturday Night Live*. "We don't dictate the content of any shows — the producers have that call," he says. "You scratch someone's back, you twist their arm, you throw money at them, and things get done. It's a matter of exploiting the media on behalf of the client."

To help get its performance message across, San Francisco 49er quarterback Joe Montana has been drafted for the company's "Unstoppable" campaign. L.A. Gear's in-house agency, L.A. Ad, produced 15- and 30-second motivational spots with Montana cross training mixed with three-quarter speed footage of him playing football.

Patrick realizes that Montana is going to have to throw quite a few passes before consumers receive the message of performance. "The industry perception is that we're developing performance-oriented shoes, but the consumer hasn't caught up yet," he explains. "To the consumer, they're comfortable shoes. They're stylish shoes." Other athletes in the company's stable include the legendary Kareem Abdul-Jabaar, the Houston Rockets' Akeem Alajuwan and Utah Jazz' Karl Malone.

The company's "Unstoppable" campaign targets not only performance-oriented consumers, but fashion-oriented women and kids. After all, it's still the fashion end that generates the big bucks. Even with performance shoes, only one in five are used for their intended sport. So L.A. Gear scored some points for fashion when it hooked up with Michael Jackson, who will go beyond being a spokesperson. "He's designing the shoes and is going to be breaking this June for back-to-school," says Patrick. "He's also going to get involved in apparel design as the company expands its base from a footwear company.

Jackson will bring big-name recognition to L.A. Gear across U.S. borders. Sandy Saeman, executive vice president of L.A. Gear, says, "He goes places that Joe Montana would never reach. He's [known] not only here but also abroad."

Print was heavily used last year at a cost of $3.5 million, according to Vitt Media, and encompassed both the fashion and the performance angles for men and women in major magazines, including *Playboy*, *GQ*, *Sports Illustrated*, *Mademoiselle* and *Cosmopolitan*.

Converse

At one time Converse was the only player in the basketball arena with its All Star. Now it's ranked number four.

But it's hoping to make a comeback. With the price of high-performance basketball shoes hovering around $100 (excluding higher priced air inflatables), Converse's new $80 Magic line offers all that's needed, according to Kathy Button, director of marketing communications. "We have an all-you-need type strategy. Anything more than that is excessive and the nightmare of every parent's life. Pretty soon people aren't going to be spending $175 for a pair of shoes. The moment is over."

To help rebuild a strong corporate identity, the Converse logo is going to play a bigger role in ads.

The Magic line, named after L.A. Laker all-star guard Magic Johnson, is Converse's answer to Nike's Air Jordan. "Magic wears the shoes in his games, and if they're good enough for him to play in, they're great for any kid to play basketball in," Button says.

Converse also opened up the year with a barrage of advertising and promotion to introduce Magic. Last year, LNA tracked Converse's nine-media spending for athletic shoes at $4.3 million. This year, about $15 million has already been spent on prime-time tv alone on top-rated shows such as *Roseanne* and *The Wonder Years*. Other tv includes MTV and basketball, particularly Lakers games. The agency is Ingalls, Quinn & Johnson in Boston.

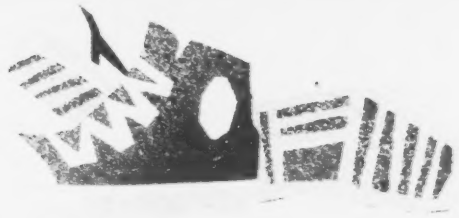
Currently, print is running in several books, the titles of which depend on what line is being advertised. *Sports Illustrated* is carrying Magic ads, while Evolo, a wom-

en's line with Chris Everet as spokesperson, is running in *Self*, *Glamour* and *Cosmopolitan*. With the classic black All Stars now considered fashionable, *Rolling Stone* is a good buy. There's even a promotional ad planned to run in the magazine. All Star buyers will receive a cassette of David Bowie's song *Fame* free.

Although the current print buys are mostly mainstream titles, Button is looking to get into more sport-specific magazines. "In the future, we'll do more sport-specific magazines. We've been going to cable with things like tennis, but I think you'll see us try to go a little more into detail, particularly on performance lines" in sport-specific books.

Converse is the official shoe of the National Basketball Association, and makes a line of NBA shoes that sport team names and logos. It can also use the NBA logo in its advertising. Converse is also trying to build its corporate identity by restoring its logo prominently to ads.

Nike has run to the head of the pack. Reebok is regrouping. L.A. Gear is a strong #3 that is quickly gaining ground. And lately, Converse is making a play.



Avia

Avia, a wholly-owned and autonomously operated subsidiary of Reebok, is a performance shoe company. Its ads read "For athletic use only," so no one's confused about it.

Targeting serious exercise enthusiasts 18-34, male and female, the brand isn't looking to be the official shoe of the Couch Potato Beer Drinking team. Seattle Sea Hawks linebacker Brian Bosworth and a host of other high profile athletes including Martina Navratilova and Robert Parish appear in the ads.

Magazine advertising took most of the budget, with $4.1 million going into health-and-fitness-oriented titles such as *Self*, *Sports Illustrated* and *Idea Today*, as well as *People*'s fitness issue. The budget is too small to go into general-interest publications, says Michael hoffman, senior vice president, director of client services at Borders Perrin & Norrander, Portland, Ore.

However, the company did deviate from its athletic-use-only strategy with a promotion with MTV and Carnival Cruise Lines that targeted college kids with a spring break fitness cruise contest. The contest offered 50 winners and their companions a cruise to the Bahamas and an appearance on MTV's spring break programing. Patrick Kipisz, vice president of advertising and promotions for Avia, said the promotion worked beyond expectations. There were more than 750,000 entrants. "It's the biggest promotion that MTV ever did," he says. "We'll do something like it again, but we don't want to repeat this. It won't be as good the second time around."

Last year, tv programing included sports on cable and spot buys on shows such as *The Wonder Years* and *Cosby*. Tennis tv programing was used primarily to target women. Total broadcast expenditures last year were $3.3 million.

But Avia is backing off from its use of television. None is expected to be used for the rest of this year and possibly next year, according to Kipisz. The emphasis will be in print.

Avia is going after the athletically oriented in sports and fitness books with a softer approach. Recently, an eight-page insert for its cross trainers ran in *Sports Illustrated* and *People*. It opens with the line, "It's nice to see people who enjoy their work," and depicts a professional man and women going through a variety of exercise routines. The closing line describes the cross trainers as ". . . the official shoe of the working class."

Avia's current ad campaign is softer than its predecessor, which told sedentary people not to buy the shoes. That rubbed some little more out of that campaign than there was," says Kipisz. "We said there are was," says Kipisz. "We said that there are certain people who are totally unconcerned about their health, and exercise is not a part of their lives. Those are the people who should not be buying Avia because they'll be buying more shoe than they need."

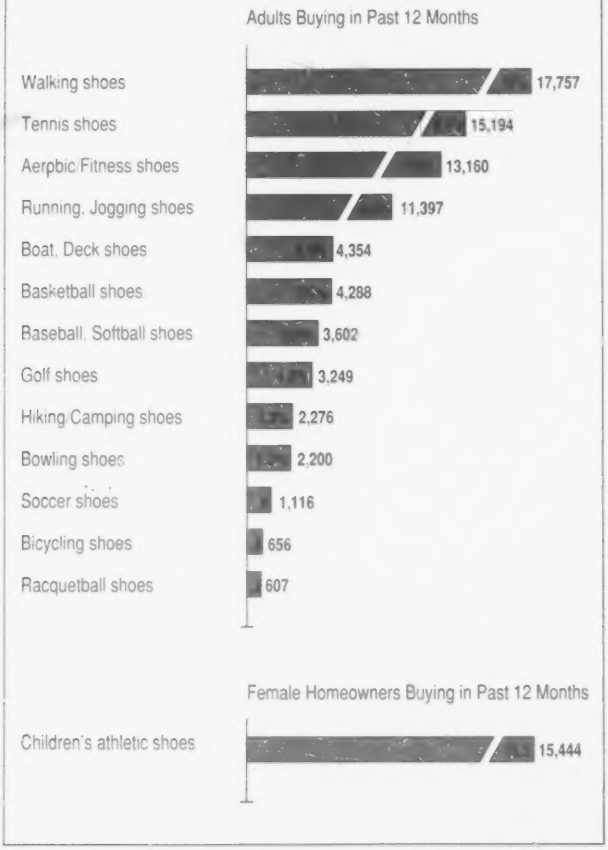
The campaign did get some extra mileage, however. By picking on smokers in one ad, they got negative responses from the tobacco industry and positive reaction from lung and cancer associations. "I would guess we got a 50% premium from the reaction of the tobacco industry defending itself, because they kept the issue alive," says Kipisz. "Our media dollars would have never stretched that far." ■

Avia's campaign from Borders Perrin & Norrander stresses that the shoes are for "Athletic use only."

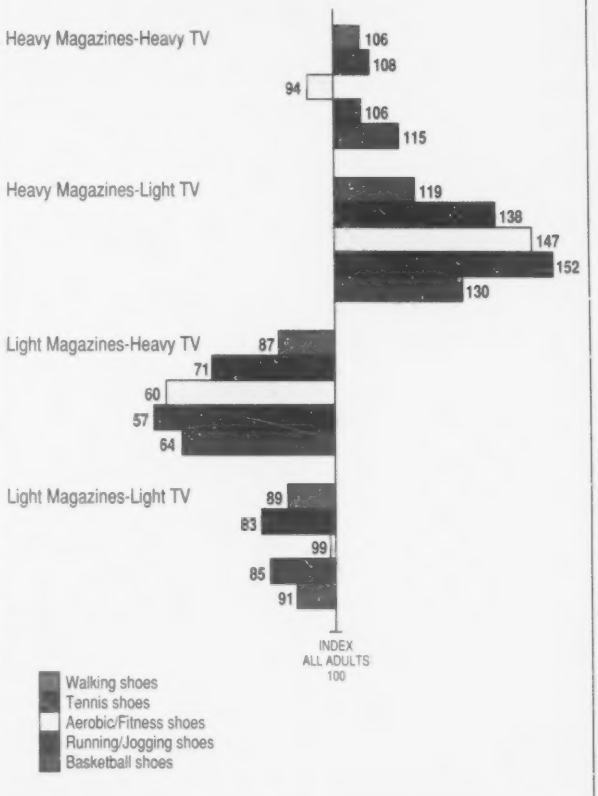
Athletic Shoes

How to read: Our indices of user demographics and media preferences are used to indicate the direction and amount of difference from the average. The index of the average is, by definition, 100. Thus, an index of 112 reflects a 12% above-average incidence. An index of 89 indicates an 11% below-average incidence.

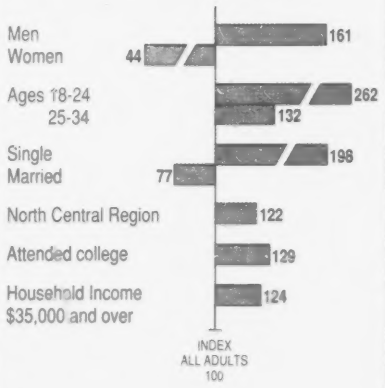
ATHLETIC SHOES



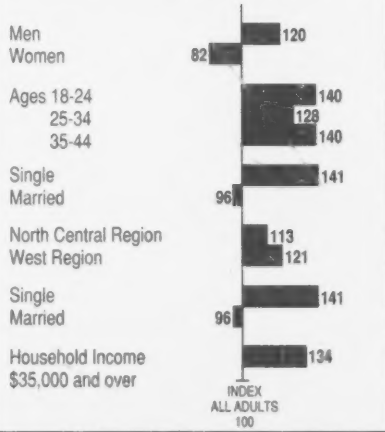
MEDIA EXPOSURE AMONG ATHLETIC SHOE BUYERS



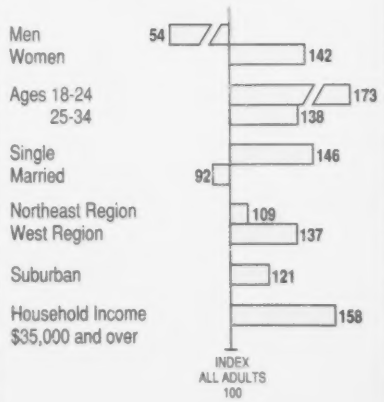
KEY DEMOGRAPHICS: BASKETBALL SHOES



KEY DEMOGRAPHICS: RUNNING/JOGGING SHOES



KEY DEMOGRAPHICS: FITNESS SHOES



Source: Mediamark Research Inc., Spring 1989

MAGAZINE AD SCORECARD	Ad Pages April 1990	% change from April 1989	Dollars spent (000)	% change from April 1989
1. Skin care, Creams, Lotions and Oils	183.29	-36.6	7,018.1	-38.1
2. Lip and Eye Beauty Products	165.93	+2.6	7,166.4	15.2
3. Scents and Fragrances	408.08	56.7	12,851.7	48.5
4. Facial Makeup Products	124.25	59.7	5,608.3	73.8
5. Prepared Dinners and Entrees (including pizzas)	42.30	72.1	2,721.8	45.2
6. Liquor	454.56	23.0	2,605.4	32.8
7. Cigarettes	453.65	-37.9	28,709.2	-30.2
8. Soaps and Detergents	14.0	40.0	62.3	-9.0
9. Passenger Cars, Domestic	380.51	-48.4	22,802.2	47.1
10. Passenger Cars, Imported	308.41	54.7	18,556.1	68.6

Source: Publishers Information Bureau as prepared by Leading National Advertisers.

MEDIA COST INDEX

(The Media Cost Index is based on unit costs, which are the end-product of circulation/audience and CPM adjustments. They do not represent the efficiency of a given medium, only the out-of-pocket costs.)

1985 = 100 ← 1989 → ← 1990 →

	July	% change	Aug.	% change	Sep.	% change	Oct.	% change	Nov.	% change	Dec.	% change	Jan.	% change	Feb.	% change
Network TV																
Daytime	71	–11	67	–9	76	-48	80	-28	82	+3	74	+0.8	78	+0.6	75	+10
Nighttime	125	+14	135	+14	120	+2	119	+19	124	+10	123	+12	129	+6	131	+9
Spot TV																
Prime time	132	+7	134	+7	117	-15	116	-9	128	+23	130	+1	148	+5	130	+3
Daytime	107	+0.2	99	-1	94	-11	94	-12	98	-5	97	-1	122	+5	100	-16
Network radio	121	+19	127	+15	127	+14	142	+8	139	+11	131	+10	173	+10	157	+11
Spot radio	–	–	–	–	112	+7	–	–	–	–	114	+4	–	–	–	–
Consumer magazines	123	+7	123	+8	124	+7	123	+7	123	+5	123	+3	130	+7	131	+8
Natl. Sunday magazines	130	+12	141	+10	141	+10	141	+10	141	+10	141	+10	132	+2	132	+2
Business publications	123	+6	123	+6	123	+6	123	+6	123	+6	123	+6	128	+8	128	+8
Newspapers	131	+6	131	+6	131	+6	131	+6	131	+6	131	+6	138	+6	–	–
Outdoor	132	+8	132	+8	132	+8	132	+8	132	+8	132	+8	141	+3	141	+3

Notes: Percentage shown is relative change from the same month/period the year before. Newspaper figures reported for January and July only.

More children age 2-11 watch devotional programing than do teens, notes Nielsen. Oral Roberts is the kiddie preacher of choice.

Sources:

Nighttime Network TV- Cost per average 30-second spot, 7:30-11 p.m. Monday-Saturday and 7-11 p.m. Sunday from Broadcast Advertisers Reports' (BAR) Network TV Service.

Daytime Network TV- Cost per average 30-second spot, 10 a.m.-4:30 p.m. Monday-Friday from BAR's Network TV Service.

Nightline Spot TV- Cost per average 30-second spot, 7:30-11p.m. Monday-Saturday and 7-11p.m. Sunday from Arbitron/Broadcast Advertisers Reports' Spot TV Service.

Daytime Spot TV- Cost per average 30-second spot, 10a.m.-4:30p.m. Monday-Friday from Arbitron/ Broadcast Advertisers Reports' Spot TV Service.

Network Radio- Cost per average 30-second radio announcement from BAR's Network Radio Service.

Consumer Magazines estimate based on reported SRDS cost of a page, four-color in 40 national consumer magazines, as reported by Magazine Publishers Assn.

National Sunday Mags estimate based on published (rate cards) costs of a page, four-color in the national entries.

Daily Newspapers estimate based on Newspaper Advertising Bureau report of SRDS costs per column inch of a sample of 784 newspapers weighted to represent the universe.

Outdoor Posters based on estimate prepared by Institute of Outdoor Advertising.

Spot Radio index represents cost of a 60-second spot in the top 100 markets from data supplied to Radio Expenditure Reports by major radio representatives.

Business Publications estimates based on reported SRDS cost of a page, four-color in 48 publications representing 42 business and professional classifications.

A LOOK AHEAD TO

AUGUST

ANNUAL MEDIA COSTS ISSUE

The most anticipated issue of the year provides an accurate medium-to-medium prediction of the direction ad costs will take in 1991.

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